

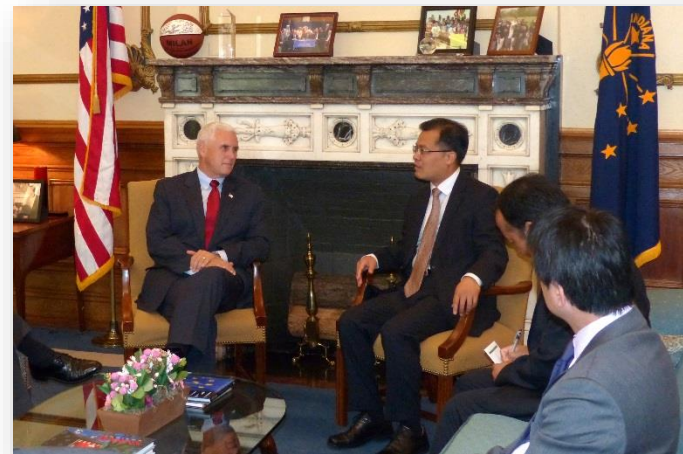
IEDC BOARD OF DIRECTORS

5.6.2015



TELLING INDIANA'S STORY IN CHINA

- Governor Mike Pence will lead a delegation of business leaders on a jobs and economic development mission to China from May 9-16, traveling to Beijing, Shanghai and Hangzhou
- He will meet with Chinese business and government leaders and visit Indiana companies with operations in China, as well as host receptions with the Recreational Vehicle Industry Association and alumni from Indiana universities
- This will be Pence's sixth international jobs mission as Governor



Governor Pence met with the Chinese Consulate General in September 2014.

“OUTSIDE OF THE UNITED STATES, CHINA REPRESENTS THE LARGEST ECONOMY IN THE WORLD. TODAY WE SEE IMMENSE POTENTIAL FOR THE CREATION OF MORE GREAT JOBS FOR HOOSIERS THROUGH THE STRENGTHENING OF TIES WITH OUR CHINESE PARTNERS.”

—GOVERNOR MIKE PENCE



INTERNATIONAL MOMENTUM BUILDS



During the Indiana-Israel Business Exchange in Indianapolis, Israel Ministry of Defense's Ori Bar Chaim discusses economic development opportunities with Governor Pence.

- On April 30, as a follow-up to his jobs mission to Israel in December, Governor Pence hosted an Indiana-Israel Business Exchange convening nine Israeli companies, 24 Hoosier businesses and six Indiana public safety agencies to discuss economic collaboration opportunities
- On April 21, the Governor spoke to 500+ attendees at an event highlighting aviation and aerospace in Indiana, co-hosted by the IEDC and the Indianapolis Business Journal
- Building on the momentum from that event and a strong showing at the Farnborough International Airshow last year, Secretary of Commerce Victor Smith will lead a delegation of aerospace companies and universities to the 51st Paris Air Show in June

INTERNATIONAL DEAL FLOW

2014 Actual

- 2,785 committed new jobs
- \$1.29 billion committed capital investment

2015 Pipeline

- 9,107 projected new jobs
- \$3.63 billion projected capital investment



PROJECT WIN REPORT

Kroger

- The Cincinnati-based grocer will invest \$465 million to construct 11 new facilities in the Indianapolis area by 2017, creating 3,440 new jobs
- The expansion will also provide more business to Kroger's hundreds of vendors and create more work for its four area food plants and four distribution centers
- No IEDC incentives were awarded

Edsal Manufacturing

- The Chicago-based industrial furniture manufacturer will expand into Gary, creating nearly 300 new jobs over the next few months
- Indiana was in competition with Tennessee, Illinois, Pennsylvania and China for this project
- No IEDC incentives were awarded

"GARY'S LOCATION AND RELATED INDUSTRIES MADE IT A LOGICAL CHOICE FOR BUSINESS EXPANSION. THE KEY TO THIS DECISION HAS BEEN THE CITY'S WILLINGNESS AND ABILITY TO HELP ALLEVIATE THE STRESS POINTS IN THE EXPANSION, SPECIFICALLY THE COST AND THE LABOR FORCE."

—MITCH LISS, EXECUTIVE VICE PRESIDENT & CO-OWNER OF EDSAL



PROJECT LOSS REPORT: VOLVO CAR GROUP

- Headquartered in Gothenburg, Volvo Car Corp. is a Swedish premium automobile manufacturer that is a wholly-owned subsidiary of Zhejiang Geely Holding Group of China
- The project anticipated 2,000 new jobs, earning more than \$14.60 per hour and \$500 million in capital investment to construct an assembly plant for new Volvo models
- The company expressed appreciation for the state of Indiana's efforts and acknowledged the state's superior supply chain over other states under consideration
- The company preferred to locate closer to the east coast sea port to reduce excess cost for both incoming supplier materials and shipment of completed vehicles (50-60 percent of incoming supply chain would be from outside the U.S. and 50 percent of completed cars would be exported)

COMPETITION FOR VISITORS & BUSINESSES

- Economic and tourism marketplace comparison:
 - » *Illinois: \$23M - \$55.4M*
 - » *Michigan: \$29 - \$38M*
 - » *New York: \$50-85M*
 - » *North Carolina: \$8M*
 - » *Tennessee: \$11M*
 - » *Texas: \$37.2M*
 - » *Indiana: \$4-5M (2014)*
- Indiana needs a larger megaphone
 - » Cannot assume that people know that Hoosiers are hard-working, innovative people who live in vibrant communities with exciting amenities



REPUTATION ENHANCEMENT INITIATIVE

- The IEDC and the Indiana Office of Tourism Development (IOTD) are collaborating on a new reputation enhancement initiative to strengthen Indiana's global image and profile as a welcoming place to live, visit and work
- The initiative intends to:
 - » Spur additional economic growth across Indiana by encouraging in-state and out-of-state visitors to frequent the state's many vibrant communities and exciting attractions
 - » Increase Hoosier job growth through additional business expansions in Indiana
- While the initiative is moving with all deliberate speed, proper assessment and input take time

GLOBAL PR FIRM SELECTED TO ASSIST

- Porter Novelli was selected to assist the IEDC and IOTD with this initiative
- With 90 offices worldwide, Porter Novelli offers deep experience and expertise in engaging a diverse mix of audiences on a broad range of issues
- Project scope is complete and the contract is being finalized



"WE LOOK FORWARD TO WORKING WITH INDIANA'S ECONOMIC DEVELOPMENT AND TOURISM TEAMS TO HELP COMMUNICATE THE INCREDIBLE AND INNOVATIVE STORY THAT IS INDIANA TODAY."

-BRAD MACAFEE, PRESIDENT OF PORTER NOVELLI'S NORTH AMERICAN REGION & INDIANA UNIVERSITY GRADUATE

PHASE 1: DESIGN & DEVELOPMENT

- Assessment of the perceptions and expectations of in-state and out-of-state stakeholders
- Meetings with stakeholders across the state to listen and explore ways that the initiative can deliver positive value for Indiana
- Development of a campaign that:
 - » Is founded on the assessment and by input from stakeholders
 - » Is aligned with the IEDC's and IOTD's missions
 - » Is able to reach across a diverse set of audiences
 - » Will support positive actions to enhance and strengthen Indiana's reputation



PHASE 2: LAUNCH & IMPLEMENTATION

- The outcome of Phase 1 will be a final set of:
 - » Recommendations and timeline
 - » A strategic plan and message platform
 - » A fully developed campaign ready for launch and long-term execution
- Phase 2:
 - » The deliverables from Phase 1 will be the basis to make decisions on the scale and duration of Phase 2
 - » Phase 2 is anticipated to begin this fall

REGIONAL CITIES INITIATIVE LEGISLATION

- Fully-funded at \$84 million for biennium
- HB 1403 passed with final votes of
 - » House: 86-6
 - » Senate: 37-11
- Next steps:
 - » Strategic Review Committee candidates
 - » Continued organizational integration



Visit IndianaRegionalCities.com for updates, tools and resources on the initiative.

LEGISLATIVE UPDATE - OTHER MATTERS

- 21 Fund - \$20 million in new funding for biennium
 - » Streamlined approval process
- Marketing funds - \$7.4 million for biennium
- IDGF - \$10 million for biennium
- Extension (thru 2020) of HBI and VCI programs
- HBI modernization
- Cap on EDGE credit awards - \$225 million for next fiscal year

ELEVATE VENTURES ANNOUNCES NEW CEO

- On April 16, the Elevate Ventures Board of Directors announced that **Chris LaMothe**, an experienced Indiana private sector business leader, will lead Elevate Ventures as its new chief executive officer



“AFTER AN EXTENSIVE NATIONAL SEARCH CONDUCTED BY THE KINSLEY GROUP, WE FOUND THE BEST CANDIDATE RIGHT HERE IN INDIANA. CHRIS BRINGS A WEALTH OF TALENT TO THE JOB. HE IS A SUCCESSFUL ENTREPRENEUR WITH VAST EXPERIENCE IN GROWING PRIVATE ENTERPRISES AND SERVING THE INTERESTS OF A WIDE VARIETY OF STAKEHOLDERS AROUND THE STATE. HIS SKILLS WILL BE PUT TO STRATEGIC USE AT ELEVATE VENTURES.”

—BOB MYER, ELEVATE BOARD MEMBER

“INDIANA IS WELL-STOCKED WITH ENTREPRENEURIAL TALENT. AND WITH THE HELP OF ELEVATE VENTURES, THOSE TALENTED HOOSIERS ARE BUILDING THEIR IDEAS INTO BUSINESSES THAT ARE HELPING INDIANA OUTPACE THE NATION IN JOB GROWTH. TO STRENGTHEN INDIANA’S ECONOMIC VIGOR, IT’S CRUCIAL THAT WE HAVE AN ENTREPRENEUR CUT FROM THE SAME CLOTH LEADING OPERATIONS AT ELEVATE, AND THAT LEADER IS CHRIS LAMOTHE.”

—VICTOR SMITH, SECRETARY OF COMMERCE



STATE AMPS UP AGRI-BUSINESS ECONOMIC DEVELOPMENT

- Ted McKinney, director of the Indiana State Department of Agriculture, will assume additional responsibilities for agri-business economic development within the IEDC as its director of agri-business development



“TED’S SUCCESSFUL CAREER IN THE AGRI-BUSINESS WORLD MAKES HIM AN IDEAL REPRESENTATIVE FOR RECRUITING AND EXPANDING THE PRESENCE OF THOSE COMPANIES IN OUR STATE. WE WANT TO TAKE FULL ADVANTAGE OF AND EVEN ENHANCE THE CURRENT RELATIONSHIP BETWEEN THE IEDC AND ISDA IN THESE EFFORTS.”

—VICTOR SMITH, SECRETARY OF COMMERCE



IEDC BOARD OF DIRECTORS

5.6.2015

